

July 9, 2003

Debra A. Howland  
Secretary and Executive Director  
New Hampshire Public Utilities Commission  
8 Old Suncook Road  
Concord, NH 03301

Re: DT 02-110 Verizon Cost of Capital

Dear Ms. Howland:

The Office of Consumer Advocate (“OCA”) has been advised by Commission Staff that certain of its arguments in the Post-Hearing Brief filed in this docket on May 23, 2003, are confusing. OCA’s principal recommendation for this docket is contained in the third paragraph on page 8. OCA recommends that the Commission adopt Option A and use a “straight retail rate of return applied to total rate base.” (as explained in Option A “rate base” means all assets devoted to retail service and UNE’s) The next sentence characterizes a blended retail/UNE rate of return as a “windfall.” OCA does not support using a blended rate of return.

OCA’s argument in its concluding paragraph on page 18 was intended to be an argument in the alternative in the event that the Commission did not adopt Option A. In order to clarify that concluding paragraph OCA requests that the Commission insert the words, “if it adopts Option B discussed above, but not recommended by OCA”, after the word Commission in the first line of the last paragraph on page 18.

Hopefully this letter and the suggested revision on page 18 will clarify the OCA’s position. I apologize to the Commission and all parties for the apparent contradiction.

Sincerely yours,

F. Anne Ross  
Assistant Consumer Advocate

